

**Environmental Health
2014 Rate Study and Proposed Fees**

Stakeholder Input Summary

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1. Overview: Environmental Health Services Rate Study

Environmental Health Division conducted a stakeholder input process that was instituted in 2004 for proposing new fees. This stakeholder process is part of our periodic review and update of rates and fees.

- The period of review is determined by the Board of Health, and is intended to update information and analyses to ensure appropriate resources to conduct public health services.
- The review is in accordance with Executive and County Council policy that all permitted services operate as full-cost recovery programs. Our last rate study was conducted in 2008.

The 2014 Rate Study and Fee analyses were conducted by a consultant, FCS Group, in collaboration with staff, and presented to the Board of Health's Advisory Committee. The cost of services for each permit-related program were calculated using time studies of services and financial data.

Based on guidance from the Advisory Committee to establish two separate rates for services (Food and Facilities Section and Community Environmental Health Section), the Environmental Health Division has conducted stakeholder meetings for various interest groups over the last month to present the proposed fees and collect comments for consideration in determining the 2015 fee schedule. Email and phone comments received by September 29, 2014 are included in this report.

2. Environmental Health Service Fees Affected:

EH Fees for Plan Review and Operating Permits	
Food and Facilities	<ul style="list-style-type: none">• Restaurants, grocery stores, mobiles, caterers, temporary events, farmer's markets
Water Recreation Facilities	<ul style="list-style-type: none">• Pools, spas, water parks
Pet Businesses	<ul style="list-style-type: none">• Pet stores, pet care facilities, animal shelters, breeders, petting zoos
On-Site Septic	<ul style="list-style-type: none">• Septic systems, private wells
Solid Waste	<ul style="list-style-type: none">• Transfer stations, haulers, recycling facilities

3. Stakeholder Outreach:

Permit Type	# permits 2013	Meeting Date and Time	Location	# invited	# of attendees
GENERAL – all EH			Emails, phone calls		24
Food (email translated into Cantonese, Korean, Russian, Somali, Spanish & Vietnamese)	14,716 ALL permits	August 18 9:00 – 11:00 am	Chinook Building 401 5 th Ave. Seattle	7018	18 including assoc. reps
Pet Businesses	411	August 21 11:30 am – 1:00 pm	Mercer Island Library	~300	1 rep for 8 businesses
Food – with interpreters (Amharic, Cantonese, Korean, Russian, Somali, Spanish, Vietnamese)	456	August 25 2:00 – 3:30 pm	Columbia City Library	also 7018	1 mobile vendor, 1 rep for mobiles
Solid Waste Facilities	75	August 26 9:30 – 11:30 am	Eastgate Public Health, Bellevue	46	1
Water Recreation	1739	August 28 10:00 – 11:30 am	Chinook Building 401 5 th Ave. Seattle	746	3 w/ multiple facilities
Onsite Septic	4162	August 28 1:30 – 3:30 pm	Eastgate Public Health, Bellevue	123	2
Temp Events/Recurring Events	3500 / 19	September 18, 9:00 – 11:00 am	Eastgate Public Health, Bellevue	1283	12
Schools	444	September 18, 2:00 – 4:00 pm	Federal Way School District	125	2
Farmers Markets	42	September 22, 9:30 am – 12:00p	King Street Center	45	13 including assoc. reps

Notification of the meetings and other ways to provide comment on proposed fees for 2015 were distributed through:

- emails
- flyers handed out at our reception desks
- mailings
- phone calls to groups with fewer stakeholders
- posted on our website
- included in association newsletters and emails

- flyers handed out by inspectors on daily visits

Associations were asked to distribute the proposed fee schedules to their membership with information on the phone and web links for comments.

Fee schedules and meeting presentation materials were posted to the website following the stakeholder meeting.

4. Basis for changes in fees

Previous fee schedules were based on estimates of the amount of time that environmental health staff spent on each permit category. As a result of the analyses, previous assumptions on amount of time spent on a particular service was adjusted to 5 year average of actual time coded by inspectors. Some of these were significantly different, depending on the particular permit category.

- These differences in service times drive the proposed fee changes in addition to the general increases in operational hourly cost (rate).
 - The result is that the fees in some permit categories decreased, some fees are relatively unchanged, and some are significantly increased.
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5. Stakeholder Comments

5.1 - Summary of Key Points

a) Fees are too high

Across Environmental Health programs, for those categories where fees increased significantly (>100%) small businesses are very concerned about the increase in that permit and request that we reduce the fee.

b) Find ways to reduce inspector time and costs

Small businesses have concerns over the amount of time that inspectors spend at their establishments and request that the program look for ways to reduce that amount of time, and therefore the Division's costs and permit fees.

c) The cumulative impact of all government fees is a high burden on small businesses.

Several small business owners express concern over the *cumulative* impact of all permit fees increasing, even when the Public Health permit increase by itself was not unreasonable. They request that we take into consideration the increases they are taking in permit and license fees from all government agencies, not just Public Health.

d) Don't spread high costs of a few businesses across the entire category.

Across programs there were various suggestions to more closely align the required fee with the actual amount of time spent with a specific business instead of averaging across a permit category:

- charge lower base permit fees and charge specifically for additional hours needed on a particular business
- create more permit categories, so that smaller businesses pay less than larger ones
- create a fee/violations structure that provides more financial incentive for businesses to be in compliance, thereby reducing our inspection costs

e) Change the date the permit is due to help cash flow for small businesses.

Many suggestions were made for administrative ways to assist businesses in making their payments, such as changing the time of year that permit fees are due.

f) Give a discount to non-profits.

Non-profit businesses in all permit categories (and some for-profit businesses) requested consideration for keeping their fees low because of their small financial margins or so that they could continue to provide services for the greater good.

g) Continue to ensure public health but help out those in good compliance.

Stakeholders expressed appreciation for public health and safety and the value of monitoring businesses that are not in compliance with regulations that ensure the public's health. Several requested that those who are in compliance, and have good business practices, not be held financially responsible for those who are not.

h) Think about the broader goals of Public Health and align your strategies.

A broad request was made for a more holistic perspective on costs and broader values from policymakers -

- small businesses and startups are being encouraged by government on one hand, and cumulative agency fees are prohibitive on the other hand
- while Public Health is encouraging healthy eating, permit fees for unhealthy food vendors cost less



5.2 Specific Comments by Stakeholder Group

Stakeholders	Relating directly to the fee	Program Improvements
Food Program Advisory Committee And General emails	<ul style="list-style-type: none"> • The overhead seems high • Cap the % increase • Phase in the increases • Is it better to charge more for violations instead of everyone paying for that increase in cost? • The fee increase seems about right, it isn't huge and everything else has gone up too. 	<ul style="list-style-type: none"> • Fees for food establishments should be billed either in mid-summer or at the end of each year (as city business license renewal is). Historically, January through March are the slowest months for business in the food service industry.
Ethnic Restaurants	<ul style="list-style-type: none"> • The fees are already quite high. • Raising the fees will hurt small businesses more. • Reduce fees particularly for small businesses which make less than \$ 100,000 gross sales annually 	
Mobile Vendors	<ul style="list-style-type: none"> • Most food service establishments are barely able to make ends meet at the current rates - Request there be no fee increases - find ways to keep current costs in check. • In addition to my risk III catering license and the new construction license, it appears that I would need to pay an additional and substantial "commissary kitchen" license fee, making my business plan unfeasible. 	<ul style="list-style-type: none"> • Commissary fees should be the responsibility of the commissary – it is a lot of cost for the vendor • Charge people who don't show up for their scheduled inspections – don't make everyone pay for no-shows that raise your costs • Fee payment schedule would be easier in the Fall • Eliminate a separate commissary fee, and have the educational visit take place at the commissary. This would save costs and make the educational visit more effective while providing the needed commissary check at the same time.
Water Recreation facilities	<ul style="list-style-type: none"> • Separate the plan review fees into two categories for separate payment – the work that needs to be done and needs an inspection, and the work that needs to be done but does not require an inspection, where you can charge for one 1 hour for inspection instead of 2 hrs. 	<ul style="list-style-type: none"> • Should be able to see / monitor inspections online • Current payment schedule is OK (June 1) • Earlier invoicing (more than 30 days) would be helpful
Temporary Events	<ul style="list-style-type: none"> • It is difficult for small non-profits to get a temp food permit, at the current charge of \$281 and make money for the 	<ul style="list-style-type: none"> • Vendors need to pay for each event, but mobile trucks pay one fee for the year and operate at the same events.

Stakeholders	Relating directly to the fee	Program Improvements
	<p>fundraiser.</p> <ul style="list-style-type: none"> • Please re-consider and for the Non-profit food permits reduce the 2015 proposed fees by 2/3. • A temp permit program like Pierce county uses is more business friendly. They have a long term 1-26 non-consecutive day permit that allows the location to do the event multiple times without a new permit issued each time. This would save time and money for the County and the business. • I don't agree with the change you are by far the highest health department in WA state 	
Schools	<ul style="list-style-type: none"> • Keep the fee low for school culinary programs. We earn money through our catering and the district makes us pay for this fee from our fundraising money. \$800.00 for a 9-month school program is a lot and cuts into our budget • I operate a student store at Hazen. Raising fees for school systems that do not have increased budgets will be a difficult for use. We are facing increased fees and reduced items to sell due to the national nutrition policies. 	<ul style="list-style-type: none"> •
Farmers Markets	<ul style="list-style-type: none"> • Famers market vendor fees are too high to pay for each event. Can there be one lower fee for businesses working several markets? • This is a staggering increase for market coordinators. • It feels like a dizzying swing of impact to business. • Why is it one-size fits all? Why is 10-12 vendor market the same fee as for Ballard? 10-18 vendors might be a different fee than a small farmers market - some take 2 inspectors all day to inspect. • Is this an all or none? Any chance of step increases? • Farmers' Markets are being asked to pay 	<ul style="list-style-type: none"> • Many farmers' markets rely on volunteers and have no paid staff. • Look at comparable size of markets. How do we know how much time to expect? What is an appropriate use of time? Sometimes seems an excessive amount of time used. • If you continue to raise fees I feel it will only promote more users to forgo the permit process. I would like to see a system that is easier to use and encourages permitting and healthy stand operations. • Won't know in much in advance to let folks know so they can budget for 2015. People need to know in advance.

Stakeholders	Relating directly to the fee	Program Improvements
	<p>similarly to 250 seat restaurant but we operate only 18 days a year.</p> <ul style="list-style-type: none"> • The last fee increase was from \$100 to \$500. There are so many other fees – to parks, transportation, liability insurance. I would encourage you to look at all of your fees. • Market managers are not getting benefit or recognition in new fee structure. Market managers have been trained by Public Health and do “mini-inspections” daily. “I have been participating in meetings with Snohomish Health Department.” They have been receiving a lot of feedback – that it is so much cheaper for farmers to sell in Skagit County. They are looking at idea of offering discount permits to vendors at markets where manager has gone through training. Discounted pricing if manager goes through additional training. Trying to incubate and support small farmers. This will be a big hit to them. • Results feel a little inequitable. How much room do you feel there might be for subjective rebalancing of fees? • It is discouraging for vendors to get higher permit fees for selling healthier food - unhealthy food should pay more – they are benefitting simply by being at farmers’ market. • How many inspections do restaurants get? If farmers’ markets are open 18 days why would they get visited two times? Why not base inspections/fees on # of days/hours open per year? 	<ul style="list-style-type: none"> • Seeing disproportionate amount of attention going to restaurants and mobiles. Inequality for small farmers, small businesses. Farmers’ Markets have had to shut down trucks, but trucks are only getting 17% increase in fees. Have to point out this inequality. • Farmer’s Markets represented are all non-profit organizations. For profit startup is very different; there is very little revenue for farmers. • There is still a perception that farmers’ markets are unregulated; might be a barrier for some. Public doesn’t know markets are as safe as anywhere else folks shop for food. PHSKC should help promote. Perhaps a cute graphic, put up at the market, " we are permitted by PHSKC" - Let people know. • I really appreciate you giving us this platform. Our market is only open 18 days/year, for 4 hours/day. Do the health inspections need to be done every day?. It is very different and less risky than restaurants open most days, for many more hours. • Please re-think the food safety benefit / public health values of farmers markets equation. • Policy makers should weigh healthiness and consider a rebate / discount to those encouraging healthy eating. Are any other health departments in the US doing this?
Pet Related Businesses	<ul style="list-style-type: none"> • I want to make sure my services are affordable for everyone, and not just for rich people, so I can’t pass on all these increases. • For shelters, most, if not all, are non-profit rescues, and seem to be hit exceptionally hard, while pet related businesses will only see a small increase 	<ul style="list-style-type: none"> • It’s not the amount of just this increase, it is the cumulative effect of all increases that is hard on small businesses. It’s paramount for businesses to have stability. • Set up an incentive schedule for businesses that are better run to reduce PH costs

Stakeholders	Relating directly to the fee	Program Improvements
	<p>in fees. This seems backwards to me.</p> <ul style="list-style-type: none"> • I still do not see the value or why it was taken from DOL and put in your hands. All it has done for me is increase my fees from \$50 to now over \$500. • County fees are more than all the other fees I pay, combined. • In response to your new proposed kennel fees, I do not see much of a difference in the yearly fee. However, I do see that there is a fee for a "plan review" which I think the hourly rate is quite expensive. • I think that by raising fees the county can eliminate some "unsafe" facilities and ensure, to a point, the responsibility and integrity of the remaining service providers. Basically, when a customer sees the KCHD certificate with their service provider, they understand that their provider's are legitimate businesses. Those who can't afford the fees, shouldn't be operating. • This \$201. per hour is too much by the department of Health. • I see that you said existing pet stores/grooming/etc will not be charged the pet food retailer fee. So if I am a pet food retailer, pet daycare, grooming, with a few (eight total) boarding kennels I would only be charged for grooming and daycare? You haven't been charging us for boarding because you said we have the daycare. So our fee would be \$523 per year? 	<ul style="list-style-type: none"> • If you work with a local rescue and they HOUSE a few cats that THEY adopt out who is responsible to pay for the fee? Is the pet store/grooming facility charged the \$66 or the rescue group? • We would also be very pleased to see Washington State license grooming shops; like hair or nail salons. Unfortunately, big box companies have poured a lot of resources into not getting this law passed... Although a number of small "grooming" businesses would fail through licensing, the safety and integrity of legitimate businesses would thrive. It would help those, including us, who already strive to provide the safest and highest standards of grooming and daycare services for our local communities to thrive and expand.
Solid Waste	<ul style="list-style-type: none"> • Cedar Grove had concerns that the substantial increase in proposed fee for Compost (Yard Debris) facilities is based on the only one existing composting facility (Cedar Grove) in King County. Because of the uniqueness of the Cedar Grove facility, it may not appropriately reflect potentially new composting sites. And the high fees maybe a disincentive to bringing on new composting sites. 	<ul style="list-style-type: none"> • For our industry, it would be fair to have a lower base fee and then incur the additional hourly charges as needed and get invoiced at the end of the year for the additional costs incurred. If in one year the facility does not have any big changes, then it is not fair for us to pay the higher standard proposed fee. He suggests looking at the fee model used by the Air Agency. • In addition to this PH fee, the facility has

Stakeholders	Relating directly to the fee	Program Improvements
		<p>other fees, such as storm water fees and industrial waste rate fees.</p> <ul style="list-style-type: none"> Perhaps a facility collecting less than 100,000 tons be charged less than one collecting more than 100,000 tons.
On-site Septic	<ul style="list-style-type: none"> Are there ways fees can be less expensive or done differently? Particularly, exam fees, recertification fees, direct fee for operator. WA Onsite Sewage Association (WOSSA) – they visit more frequently and are less expensive. I am ok with fees, can pass them through to customers. 	<ul style="list-style-type: none"> WOSSA does inspections and is accepted by most other counties. Can we accept other counties or WOSSA inspections, can there be reciprocity? Would be nice and less expensive if one inspection covered all counties in which they work.

